

“TOURISM IS IMPORTANT TO THE ECONOMY OF OUR STATE AND THE FOLKS AT TRAVEL MONTANA WORK HARD TO PROMOTE OUR GREAT STATE AS A VACATION AND BUSINESS DESTINATION, BRINGING IN PEOPLE FROM ALL OVER THE WORLD TO VISIT OUR LANDMARKS AND COMMUNITIES.”

-GOVERNOR BRIAN SCHWEITZER

MONTANA PROMOTION DIVISION MISSION STATEMENT

Our mission is to strengthen Montana's economy through the promotion of the state as a vacation destination and film location. By maximizing the combined talents and abilities of its staff, and with guidance from the Governor's Tourism Advisory Council, Travel Montana strives to promote a quality experience to visitors while encouraging preservation of Montana's environment and quality of life.

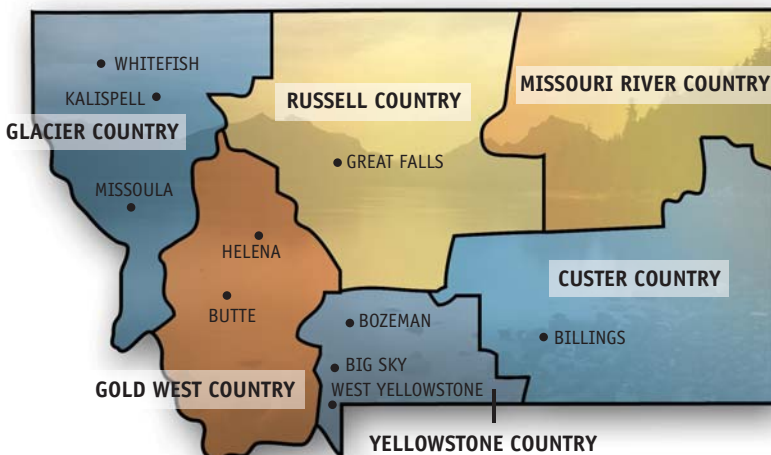
PARTNERSHIPS

The Montana Commerce Department's Promotion Division (Travel Montana and the Montana Film Office) is the statewide program focused on creating and maintaining Montana's positive image as a visitor destination and film location. The program goal is accomplished through various marketing efforts, networking with the state's public and private sector tourism and recreation industry and agencies, along with education and development assistance.

TOURISM PARTNERS

- SIX TOURISM REGIONS
- TEN CONVENTION & VISITOR BUREAUS (CVBs)
- INSTITUTE OF TOURISM & RECREATION RESEARCH (ITRR)
- MONTANA TOURISM & RECREATION INITIATIVE (MTRI)
(a multi-agency tourism and recreation cooperative)

TOURISM REGIONS & CVBs



TOURISM ADVISORY COUNCIL

- Advises the Governor
- Advises the Montana Promotion Division
- Oversees tourism research
- Oversees annual marketing plans and distribution of funds to tourism regions and CVBs

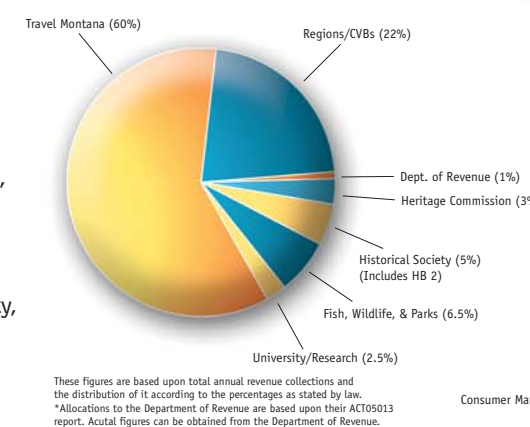
Mike Scholz, Chair, Big Sky
Homer Staves, Vice Chair, Billings
Dyani Bingham, Billings
Mark Browning, Miles City
Virginia Court, Billings
Ed DesRosier, East Glacier Park
Rhonda Fitzgerald, Whitefish
Ramona Holt, Lolo
Vicki Huckle, Helena
Carl Kochman, Helena
Michael Morrison, Great Falls
Stan Ozark, Glasgow
Dolores Plumage, Chinook
Mary Ellen Schnur, Townsend
Steve Shuel, Bozeman
Jonathan Stoltz, Pendroy
Dan Vermillion, Livingston
Richard J. (RJ) Young, Poplar

MONTANA'S TOURISM FUNDING

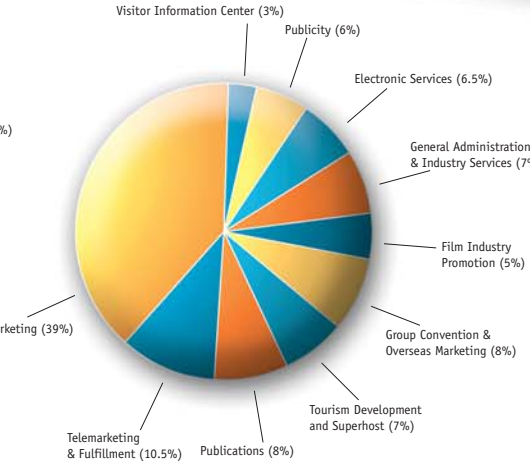
AN INVESTMENT...

In 1987, Montana's legislature recognized the importance of tourism to Montana's future economy. During that session, the legislature created a 4% Lodging Facility Use Tax, commonly referred to today as the "bed tax." Lodging facilities (such as hotels, motels, bed & breakfast inns, guest ranches, resorts and campgrounds) collect this tax from guests. In turn, these funds are directed to the Montana Historical Society, the university system, Montana Fish, Wildlife & Parks, Montana's tourism regions and Convention and Visitors Bureaus (CVBs) and the Department of Commerce for travel and film promotion. Importantly, no additional money for tourism funding comes from Montana's general fund. Sixteen years after the legislature created the bed tax, its success is evident. Today, tourism is one of Montana's largest and fastest-growing industries in the state.

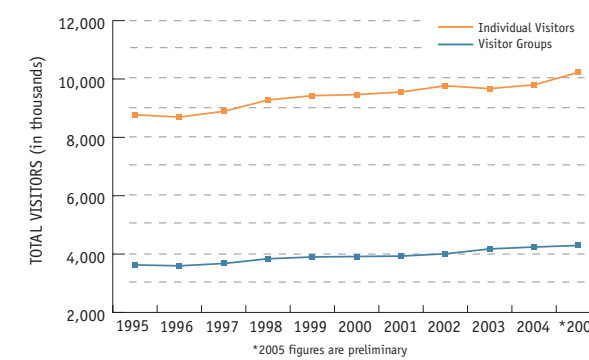
FY05 LODGING FACILITY USE TAX DISPERSEMENT



HOW TRAVEL AND FILM PROMOTION FUNDS ARE SPENT



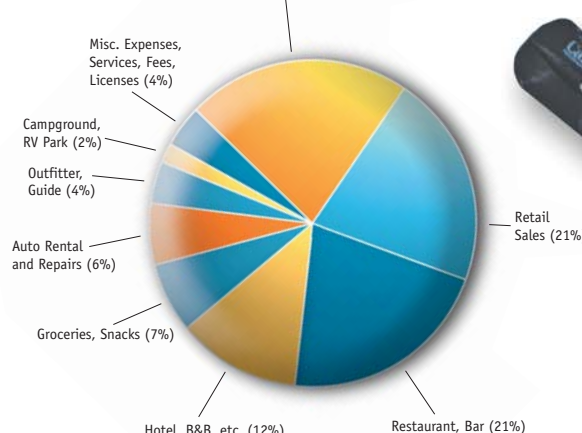
MONTANA NONRESIDENT VISITOR TRENDS



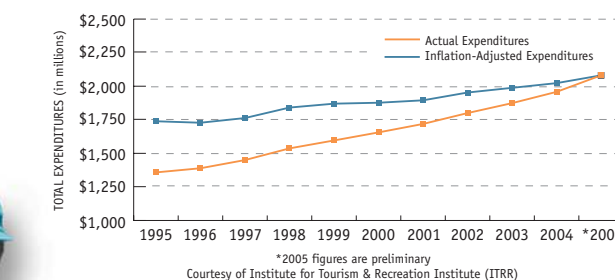
...WITH HIGH RETURNS

- Tourism is one of Montana's leading and fastest growing industries
- Over 10 million visitors in 2005
- Spent \$2.081 billion in 2005 (preliminary figure)
- Supported 39,150 Montana jobs
- Total economic impact of \$2.74 billion
- Generated \$140 million in state and local tax revenue
- "ROI=\$185 in visitor spending for every \$1 spent on promotion"

2004 MONTANA NON-RESIDENT EXPENDITURE ALLOCATION BY CATEGORY



NONRESIDENT ACTUAL EXPENDITURES AND INFLATION-ADJUSTED EXPENDITURES



BIG SKY MEETS BIG SCREEN

MONTANA FILM OFFICE



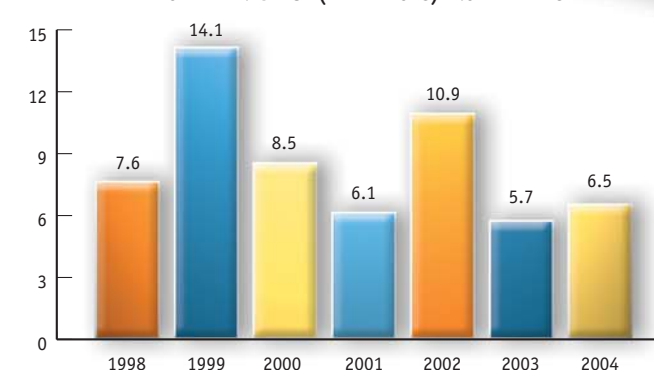
The Montana Film Office promotes Montana as a film, television, documentary and commercial production location through a variety of tools. The Film Office:

- Brings Productions into Montana for economic benefit
- Produces the Montana Production Guide listing over 700 Montana businesses
- Maintains montanafilm.com
- Ensures Montana is "film friendly"

HIGHLIGHTS

- Big Sky on the Big Screen Act, enacted by the 2005 legislature, offers 12% rebate based on hired Montana labor and 8% rebate on qualified expenditures—6 productions certified in 2005 for eligibility
- Montana Film and Television Advisory Council. Established in 2005, this 28-member citizen's council advises the Governor and Department of Commerce on film promotion.

MONTANA REVENUE (IN MILLIONS) FROM FILMING



RESOURCE-RICH MONTANA ONLINE RESOURCES

MONTANA TRAVEL REGIONS

- custer.visitmt.com - Custer Country
- glacier.visitmt.com - Glacier Country
- goldwest.visitmt.com - Gold West Country
- missouririver.visitmt.com - Missouri River Country
- russell.visitmt.com - Russell Country
- yellowstone.visitmt.com - Yellowstone Country

MONTANA CVBs

- bigskychamber.com - Big Sky
- billingscvb.visitmt.com - Billings
- bozemancvb.visitmt.com - Bozeman
- butteinfo.org - Butte
- fcvb.org - Flathead Valley
- greatfallscvb.visitmt.com - Great Falls
- helenacvb.visitmt.com - Helena
- missoulacvb.org - Missoula
- westyellowstonecvb.visitmt.com - West Yellowstone
- whitefishchamber.org - Whitefish

WEBSITES MAINTAINED BY TRAVEL MONTANA

- visitmt.com - Travel Montana's main web site with visitor information and vacation planning assistance.
- lewisandclark.mt.gov - Montana's Lewis and Clark site, devoted to the Corps of Discovery's journey across our state.
- wintermt.com - Montana's winter site, covering the pursuit of fun during our snowy season.
- montanakids.com - Specifically designed for kids, including games and other fun.
- montanameetings.com - The Montana meeting planner's site, offering information about meeting or convention services and locations.
- montanafilm.com - The official site of the Montana Film Office, with location photos and information about filming.
- travelmontana.mt.gov - Travel Montana's intranet site, offering up-to-date information about the state's tourism industry.

- indiannations.visitmt.com - This site is devoted to Montana's Indian Nations.
- montanagroups.com - The Montana Group Tour Planning Guide, offering information on group tour services.

OTHER USEFUL SITES

- nps.gov/glac - Glacier National Park
- nps.gov/yell - Yellowstone National Park
- lewis-clark.org - Discovering Lewis and Clark
- fwp.mt.gov - Montana Department of Fish, Wildlife & Parks
- www.mt.blm.gov - Bureau of Land Management
- mt.gov - Montana online
- montanalewisandclark.org/ - Montana Lewis and Clark Bicentennial Commission
- www.itrr.umt.edu/ - Institute for Tourism and Recreation Research
- www.fs.fed.us/r1 - Forest Service, Northern Region



Montana Promotion Division • 301 S. Park • Helena, MT 59620 • 406-841-2870 • www.visitmt.com



THE REPORT ON THE
MONTANA TOURISM INDUSTRY
JANUARY 2006

Montana Promotion Division • Department of Commerce



MARKETING THE MONTANA MYSTIQUE



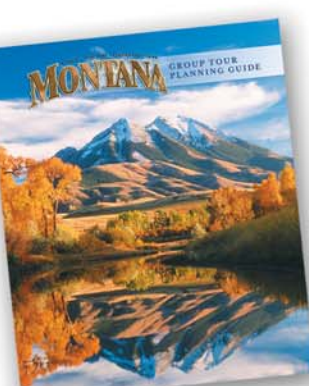
The publicity program works with both domestic and international travel writers, TV and broadcast producers and other travel media to publish and broadcast Montana travel-related stories. It uses a variety of methods to develop media coverage for Montana including:

- Organizing and hosting both individual and group press trips
- Assisting with or sponsoring broadcast productions

THINK GLOBALLY. MEET LOCALLY.

OVERSEAS MARKETING

The Overseas Marketing Program promotes Montana as a vacation destination to overseas tour operators, travel agents and media. The program works cooperatively with South Dakota, Wyoming and Idaho to market the 4-state region in the United Kingdom, Germany, France, Belgium, Netherlands and Italy. All four states contract with Rocky Mountain International (RMI) to coordinate the marketing efforts. RMI has contracted staff and offices in each of the target countries. The program also works with representatives in Taipei, Taiwan, and Kumamoto, Japan, to promote Montana as a vacation destination to tour operators and media in those countries.



GROUP TOURS

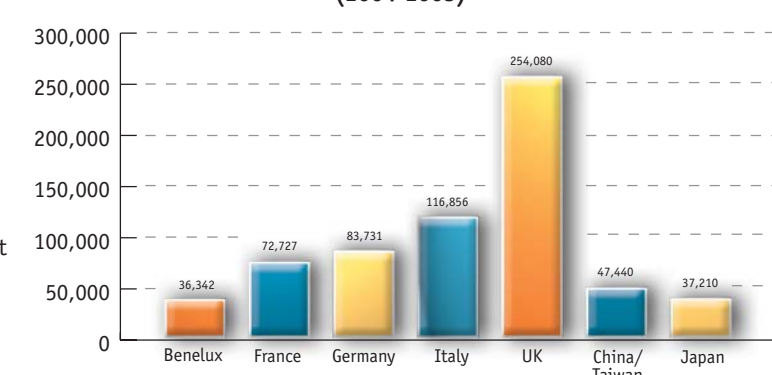
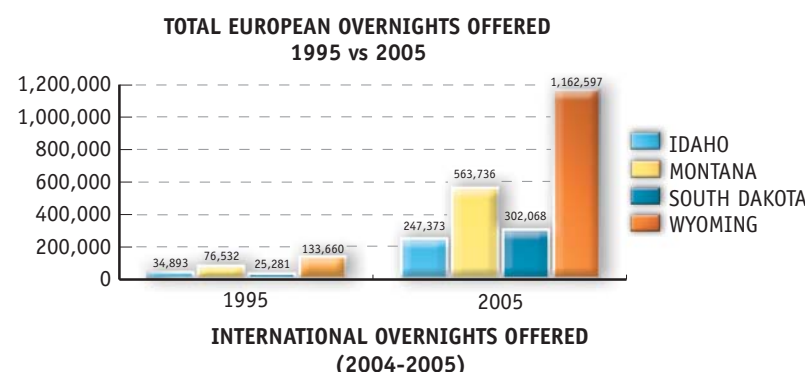
The Group Travel Program provides tour operators with the tools to build a successful Montana tour itinerary and to generate more awareness of statewide group tour product. A fully loaded motorcoach (46 passengers on average) on a charter or tour making an overnight stay contributes an average of \$5,000 to \$7,500 (USD) per day to the local economy in expenditures.

NEWS MEANS VIEWS

PUBLICITY PROGRAM

- Distributing video news releases
- Providing research assistance to travel writers and broadcast media
- Distributing press releases/travel stories to media
- Producing and distributing publicity newsletters (**Travel Montana Update** to over 4,500 people monthly and the quarterly **Untold Story Leads** newsletter to 1,200 members of the media)

In 2004, Montana generated 10.6 million dollars worth of publicity in all forms of media—print, Internet and broadcast—compared to \$5.62 million generated in 2003.



The consumer marketing program develops advertising and promotional campaigns to create a positive brand image for Montana and increase tourism and visitation to the state. Advertising is targeted to the audiences that have the highest propensity to travel to Montana. Nationwide tourism trends, statistics from the Institute of Tourism and Recreation Research, and the results of contracted research studies help drive the marketing strategy.

Due to the increasing costs of media and the inability of the advertising budget to keep pace, MPD is continually looking for creative ways to stretch its marketing dollars, including successful programs with neighboring states. Some of these partnerships include:

- **Four Parks** (with WY, SD, Yellowstone NP, Grand Teton NP, Glacier NP & Mt. Rushmore National Memorial)
- **Northwest Lewis & Clark** (with WA, ID & OR)
- **Sled the Rockies** (with ID & WY to promote snowmobiling)

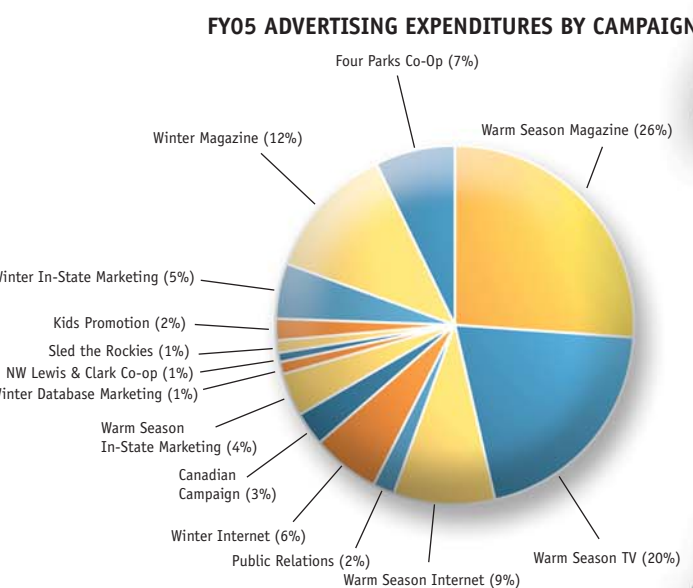
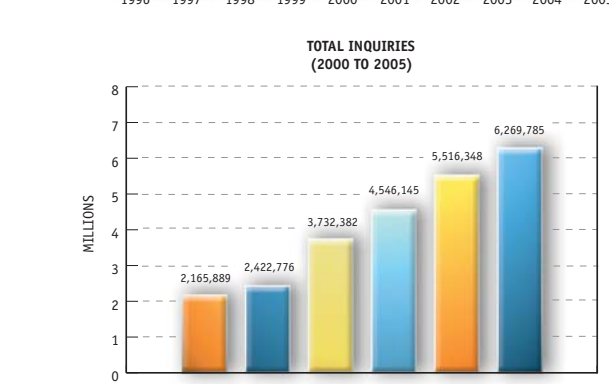
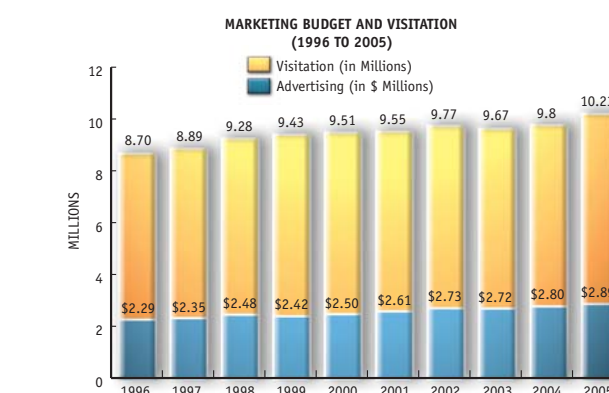
PRINT ADS

Sample list of 2005 Warm Season Publications:

- AARP—The Magazine
- National Geographic Traveler
- Good Housekeeping
- Backpacker
- American Heritage
- Sunset
- Family Circle
- Outside
- Bridal Guide
- AAA Tour Book

Sample list of 2005 Winter Publications:

- Endless Vacation
- National Geographic Adventure
- Outside
- Outside Traveler
- Powder
- Ski
- Skiing
- SnoWorld
- Sunset



TRAVEL MONTANA'S ADVERTISING BUDGET IS \$2.89 MILLION. WHEN COMPARED TO OTHER STATES, MONTANA'S BUDGET RANKS 27TH.

PUTTING ATTRACTION IN ATTRACTIONS

CONSUMER MARKETING

TELEVISION SPOTS

Sample list of 2005 National Campaigns:

- "Rejuvenate Yourself"
- Lewis and Clark

Sample list of 2005 In-State Campaigns:

- Winter "Play in Montana"
- Summer "In Your Backyard"
- Governor's "Invite-A-Friend"

Sample list of National TV Channels airing campaigns:

- Animal Planet
- Country Music Television
- CNBC
- Discovery Channel
- Fine Living
- Food Network
- Fox News Channel
- Game Show Network
- History Channel
- The Learning Channel
- Lifetime Television
- MSNBC
- Outdoor Life Network
- Travel Channel
- Weather Channel

Sample list of In-State Channels airing campaigns:

- Broadcast TV (including ABC, CBS, NBC, Fox & Q2) in five major markets: Billings, Bozeman/Butte, Great Falls, Helena, Kalispell/Missoula
- Cable TV: CNN & TBS

EFFECTIVENESS OF AD CAMPAIGNS

FY05 advertising highlights:

- Made 91,725,669 consumer impressions (not including radio or TV campaigns)
- Generated 163,686 inquiries (not including web inquiries)
- Generated 6,106,099 web site user sessions

Longwoods International evaluated Travel Montana's FY04 Warm Season advertising:

- Investment of \$1.4 million in ad campaigns
- Advertising resulted in \$68 million in visitor spending
- Advertising resulted in 463,000 trips to Montana
- Return-on-investment—\$3.50 in state and local tax contribution for every dollar spent

BUILD IT AND THEY WILL COME

TOURISM DEVELOPMENT AND EDUCATION

- Technical and financial assistance for tourism-related facility projects, communities, organizations and events
- A 9-community Gateway Visitor Information Center program—Culbertson, Dillon, Hardin, Lolo Pass, Powder River, Shelby, St. Regis, West Yellowstone and Wibaux
- Montana Superhost customer service training
- Montana Governor's Conference on Tourism and Recreation (32nd Conference: April 10-11, 2006, Great Falls)
- Cultural & Heritage Tourism programs
- Montana Tourism & Recreation Initiative (MTRI)—a multi-agency tourism and recreation cooperative

2005 PROGRAM SUMMARY:

Tourism Infrastructure Investment Program (TIIP) Grants: \$200,000 for five tourism-related facility projects valued at \$5.25 million.

- Conrad Mansion, Kalispell—Electrical Upgrade
- Holter Museum of Art, Helena—Roof Renovation/Fire Suppression System
- Makoshika Dinosaur Museum, Glendive—Exhibit Expansion/Fire Suppression System
- Meagher County Historical Association, White Sulphur Springs—Window Restoration at Castle Museum
- Missoula Art Museum, Missoula—Grand Foyer of Renaissance, Renewal and Renovation Campaign

Special Event Grant Program (SEGP):

\$50,000 for new, annual ongoing events in 9 Montana communities.

- Philipsburg—Art & Jazz on Broadway
- Roundup—4th of July Festival
- Eureka—Eureka Quilt Show
- Livingston—Park County Studio Tour

- Glendive—Music in Makoshika
- Miles City—Clark on the Lower Yellowstone
- West Yellowstone—Snow Blast
- Missoula—Garden City River Rod Run
- Chester—HiLine Crazy Daze



Community Tourism Assessment Program (CTAP):

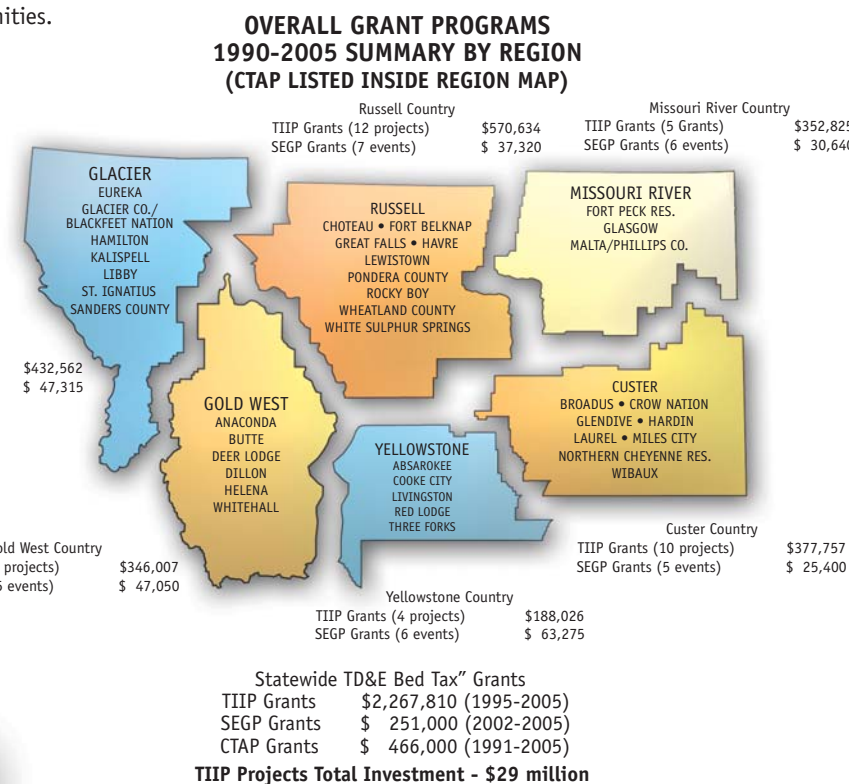
Completed 10-month process with Helena, Rocky Boy Reservation, and Wheatland County.

Montana Dinosaur Trail:

Coordinated and financed this heritage tourism project highlighting Montana's unique dinosaur resources and activities at 13 facilities in 10 Montana communities.

Montana Birding and Nature Trail System:

Provided financial and technical assistance for Northeastern Plains Birding Trail and Bitterroot Birding and Nature Trail.



FULFILLMENT

The publication's program produces 2.5 million pieces of literature – guides, planners, brochures and maps – for distribution each year. These publications offer Montana businesses affordable advertising opportunities to reach the travel market. Annual distribution is through direct mail, chambers, visitor centers, consumer shows, conventions, and local businesses.

In 2005, Travel Montana and the Montana Department of Transportation produced the Lewis & Clark Commemorative Edition highway map. This full-color map features general road information, city/town maps and points of interest along the Lewis & Clark trail. This was also the year of a colorful new design for the Kid's Brochure loaded with fun information and puzzles.



TECH TALK

INFORMATION TECHNOLOGY

Travel Montana's primary web site, visitmt.com, continues to be the major source of information for our visitors.

Online growth continues at a phenomenal rate. In the year 2005, we had more than 8,285,364 million visitors to our primary web sites. Visitmt.com is averaging more than 12,517 user sessions a day, a 45% increase over last year.

Behind the scenes we sponsor 12 sites and host 14 sites while continuing to enhance our ability to serve travel information, lightning fast, by upgrading our servers, software and network. For a complete list of these sites, see the back cover.

Certainly, the Internet is an important component of Montana's marketing efforts. But the Internet is just one tool; the more

